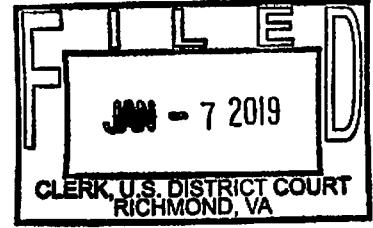


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION



JAY FOLSE, on behalf of §
The UNITED STATES OF AMERICA, §
§
PLAINTIFF/Relator, § CIVIL ACTION NO. 3:19cv009
§
§
V. § FILED UNDER SEAL
§ 31 U.S.C. §§ 3729-32
§
HALLMARK YOUTHCARE - § JURY TRIAL DEMANDED
RICHMOND, INC., §
§
DEFENDANT §

**FALSE CLAIMS ACT COMPLAINT
“QUI TAM”**

TO THE HONORABLE JUDGE OF SAID COURT:

The United States of America, by and through *qui tam* Relator, Jay Folse, brings this action under 31 U.S.C. §§ 3729-32 (The “False Claims Act”) to recover from Hallmark Youthcare – Richmond, INC. (Hallmark) for all damages, penalties, and other remedies available under the False Claims Act on behalf of the United States and himself and would show unto the Court the following:

PARTIES

1. Relator, Jay Folse is an individual and citizen of the United States of America residing in Bluefield, West Virginia.

2. Defendant Hallmark Youthcare – Richmond, Inc. is a Georgia corporation authorized to do business in Virginia with its principal place of business located at 6501 PEAKE ROAD BLDG 800 MACON, GA

JURISDICTION AND VENUE

3. This Court maintains subject matter jurisdiction over this action pursuant to 31 U.S.C. §3732(a) (False Claims Act) and 28 U.S.C. § 1331 (Federal Question).

4. Venue is proper in this Court under 31 U.S.C. § 3732(a) because Hallmark operates a facility in the Eastern District of Virginia.

5. Jay Folse is the original source of and has direct and independent knowledge of all information that the allegations herein are based upon. Jay Folse has been held as a prisoner in Hallmark. He has witnessed the lack of services provided to himself and other prisoners.

FACTS

6. Hallmark operates a facility at 12800 West Creek Parkway in Goochland County. The facility is licensed with the Virginia Department of Behavioral Health and Developmental Services as “a provider of mental health services”. Hallmark is frequently referred to as a residential treatment facility which is a euphemistic phrase for what most refer to as a private prison. Hallmark holds children from the ages of about 11-17 that are almost exclusively wards of the court. The need for Hallmark results from the lack of appropriate placements such as foster homes for children in this older age range. Approximately, thousands of children in Virginia have been held in Hallmark without being sentenced there by a court, without committing a crime, and with no due process or access to courts. The children here are frequently abused, assaulted, raped, and neglected by staff members.

Hallmark calls its self “a provider of mental health services”. This is a ruse to bill the government for more charges. Hallmark would be more accurately described as an orphanage gone wrong; a government cash grabbing machine with no regard for children’s welfare. Although some children here do have various mental issues, many including the relator, Jay Folse, were and presently are of sound mind. Jay Folse was admitted on 11/16/2010 under the guise of being mentally incompetent. He and other prisoners were not screened by a psychiatrist before being committed, as is a standard practice in any genuine mental facility. The admission procedure is more of a screening to see whether the child is in foster care and has an available funding source with no regard to whether it is proper to commit him or her. By calling its self a mental health services provider they can acquire funds from the federal government through Medicaid, Title IV-E of the Social Security Act, and other funding sources. The funds are funneled from various agencies at the federal level to the county departments of social services who disperse the funds to Hallmark. In the relator’s case there were many unnecessary and excessive charges. The frivolous charges include 63 therapy sessions during his 67 day stay, \$3,810 for six days of room and board when the relator never should have been committed, and tuition for a farce school that is operated by and located inside of Hallmark. Detailing these charges further, as evidenced in the appendix, the therapy sessions mostly consisted of normal activities such as watching television or playing basketball. Even more egregiously, when the relator and others were not even present for the activity according to the therapist’s own notes, a bill was still submitted for the session.

CAUSE OF ACTION

Violations of the False Claims Act

7. Jay Folse incorporates and re-alleges all of the foregoing allegations herein.

8. Based upon the acts described above, Defendant knowingly violated on or more of the following:

- a. Knowingly presented, or caused to be presented, a false or fraudulent claim for payment or approval;
- b. Knowingly made, used, or caused to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government.

18. The United States, unaware of the falsity of these claims, records, and statements made by the Defendant, and in reliance on the accuracy thereof, paid money to Defendant.

19. The United States and the general public have been damaged as a result of Defendant's violations of the False Claims Act.

PRAYER

20. For the reasons set forth above, Jay Folse, on behalf of the United States, respectfully requests this Court to find that Defendant has damaged the United States Government as a result of its conduct under the False Claims Act. Jay Folse prays that judgment enter against Defendant for all applicable damages, including but not limited to the following:

- a. Actual damages in an amount sufficient to compensate victims.
- b. Civil Penalties in an amount of three times the actual damages suffered by the Government.
- c. Relator seeks a fair and reasonable amount of any award for his contribution to the Government's investigation and recovery pursuant to 31 U.S.C. §§ 3730(b) and (d) of the False Claims Act.
- d. Court costs awarded to Relator.
- e. Pre-judgment and post judgment interest.
- f. All other relief on behalf of the Relator and/or United States Government to which they may be entitled at law or equity.

Respectfully Submitted,

By:



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Bluefield, WV 24701
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CERTIFICATE OF SERVICE

I, Jay Folse, certify that a true and correct copy of the foregoing has been served on all parties.

Hon. Matthew Whitaker
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